



# The U.S. Uniformed Services Blended Retirement System

## Reserve Component



The Fiscal Year 2016 National Defense Authorization Act provides our military force with a modernized retirement plan built for retirement savings. Beginning in 2018, Reserve Component service members can get **automatic and matching Thrifts Savings Plan contributions, a mid-career compensation** incentive, and if they obtain 20 years of service, **monthly retired pay** for life starting at age 60.\* All service members under the current system are grandfathered into today's retirement system.

**Effective Date: January 1, 2018**

### Retirement System Selection



Reserve Component members with more than 4,320 retirement points will remain under the legacy retirement system.



Reserve Component members with less than 4,320 retirement points as of December 31, 2017, will have the choice of whether to opt into the new Blended Retirement System or remain in the legacy retirement system.



New accessions after January 1, 2018, will automatically be enrolled in the new Blended Retirement System.

## Reservists and Guardsmen While Serving

### Thrift Savings Plan Contributions



| You Contribute | DoD Auto Contribution | DoD Matches | Total |
|----------------|-----------------------|-------------|-------|
| 0%             | 1%                    | 0%          | 1%    |
| 1%             | 1%                    | 1%          | 3%    |
| 2%             | 1%                    | 2%          | 5%    |
| 3%             | 1%                    | 3%          | 7%    |
| 4%             | 1%                    | 3.5%        | 8.5%  |
| 5%             | 1%                    | 4%          | 10%   |

The DoD automatically contributes 1% of your basic pay or Inactive Duty Pay to your **Thrift Savings Plan** after **60 days of service**.

You'll see matching contributions at the start of 3 years through the completion of 26 years of service, and...

**You're fully vested – it's yours to keep – after completing 2 years of service and it goes with you if you leave.**

### Continuation Pay

Received at the mid-career point



At the mid-career mark, you may receive a cash payment in exchange for additional service.

## Retired Reservists and Guardsmen Eligible for Retirement Pay

### Monthly Annuity for Life

$$2\% \times \text{Years Served} \times \text{Retired Pay Base}$$

Calculate your **retired pay base** by averaging the **highest 36 months** of basic pay.

You'll gain this monthly annuity for life after completing 20 qualifying years of service and attaining age 60\*

*\*or earlier based on qualifying active service.*

### Collecting Your Retired Pay

OPTION 1

1

Full retired pay annuity beginning at age 60 or earlier based on credited active service

OPTION 2

2



Lump sum

or

+



with

Reduced retired pay as monthly annuity

*25% or 50% lump sum and reduced monthly annuity at age 60\*  
Monthly annuity bumps back up to 100% at full retirement age (67 in most cases).*

You can find additional information at <http://militarypay.defense.gov/BlendedRetirement>

Sources: Fiscal Year 2016 National Defense Authorization Act, sections 631, 632, 634, and 635

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